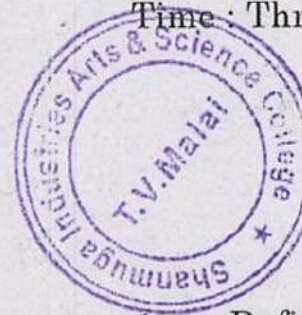


APRIL/MAY 2024

23PCM22 — CORPORATE ACCOUNTING

Time : Three hours

Maximum : 75 marks



SECTION A — (10 × 2 = 20 marks)

Answer ALL the questions.

1. Define the shares.
2. What is 'Debentures'?
3. What to you understand by Life Assurance Fund?
4. Give the meaning of 'Reversionary bonus'.
5. Define a 'Holding company'.
6. Write a short note on 'Minority Interest'.
7. Benefits of Human resources Accounting.
8. A short Note on Replacement cost approach.

9. Write a Meaning of Accounting standard.

10. What is Intangible Assets?

SECTION B — (5 × 5 = 25 marks)

Answer ALL the questions.

11. (a) On 1.1.2008, R Ltd., offers 10,000 shares of Rs.10 each payable as follows:

On Application Rs.3 per share

On Allotment Rs.2 per share

On First call Rs.3 per share

On Final call Rs.2 per share

All the shares are subscribed and amounts duly received pass journal entries.

Or

(b) A Ltd issued 1,000 12% debentures of Rs.10 each. Give journal entries under two situations:

(i) Issued at a premium of 10%

(ii) Issued at a discount of 10%



20. Sing Co., Ltd Finalized its accounts for the year ended 31.3.2006 and found the following items as part of their accounts.

- (a) Settlement received from I.T. department relating at a case pending for the past 9 years Rs.6 crores.
- (b) Previous Year's closing stock was understated by Rs.4,00,000 due to error of understating in stock sheets.

How do you deal with these items as per AS-5?

12. (a) What are the schedules prepared to finalize life insurance?

Or

- (b) The Life fund of a Life insurance Company on 31.3.2006 showed a balance of Rs. 54,00,000. However, the following items were not taken into account while preparing the revenue A/c for 2005-06:

	Rs.
(i) Interest and dividends accrued on investments	20,000
(ii) Income tax deducted at source on the above	6,000
(iii) Reinsurance claims recoverable	7,000
(iv) Commission due on reinsurance premium paid	10,000
(v) Bonus in reduction of premiums	3,000

13. (a) From the following Balance sheet relating to H Ltd. And S Ltd. Prepare Balance Sheet as on 31.12.1992

Balance Sheet as on 31.12.1992

Liabilities	H. Ltd. Rs.	S. Ltd. Rs.	Assets	H. Ltd. Rs.	S. Ltd. Rs.
Share capital (share of Rs.10 each)	10,00,000	2,00,000	Sundry fixed assets	8,00,000	1,20,000

Liabilities	H. Ltd. Rs.	S. Ltd. Rs.	Assets	H. Ltd. Rs.	S. Ltd. Rs.
Profit and loss A/c	4,00,000	1,20,000	Stock	6,10,000	2,40,000
Reserves	1,00,000	60,000	Debtors	1,30,000	1,70,000
Creditors	2,00,000	1,20,000	Bills receivable	10,000	—
Bills payable	—	30,000	Shares in 'S' Ltd at cost (15,000 shares)	1,50,000	—
	<u>17,00,000</u>	<u>5,30,000</u>		<u>17,00,000</u>	<u>5,30,000</u>

- (i) All profits of S Ltd. have been earned after the shares were acquired by H Ltd. But there was already a reserve of Rs.60,000 on that date
- (ii) All the bills payable of S Ltd. were accepted in favour of H Ltd.
- (iii) The stock of H Ltd. includes Rs 50,000 purchased from S Ltd. The profit added was 25% on cost.

Or

Liabilities	H Ltd. Rs.	S. Ltd. Rs.	Assets	H Ltd. Rs.	S. Ltd. Rs.
Profit and loss A/c.	70,000	50,000	Stock	1,75,000	1,89,000
Creditors	90,000	60,000	Debtors	55,000	30,000
			Cash at bank	50,000	10,000
			Preliminary exps.	—	6,000
	<u>9,10,000</u>	<u>3,80,000</u>		<u>9,10,000</u>	<u>3,80,000</u>

H Ltd. acquired the shares of S Ltd. on 30th June 1994. on 1st April 94, S Ltd 's General reserve and Profit and loss A/c stood at Rs,60,000 and 20,000 respectively. No part of the preliminary expenses was written off in the year ended 31.3.95.

Prepare consolidated Balance sheet of H Ltd and it's subsidiary S Ltd. as on 31.3.95. giving all your working notes separately.

19. Types of Human resources Valuation.

- (a) Closing stock was valued at Rs. 1,91,500
- (b) Depreciation on plant at 15% and on furniture at 10% should be provided.
- (c) A Tax provision of Rs.8,000 is considered necessary.
- (d) The directors declared an interim dividend on 15.8.85 for 6 months ending June 30 1985 @ 6%
- (e) Provide for corporative dividend tax @17%

17. What is valuation balance sheet? Why is it prepared?

18. The following are the balance sheet of H Ltd. And its subsidiary S Ltd as on 31.3.1995

Liabilities	H Ltd. Rs.	S. Ltd. Rs.	Assets	H Ltd. Rs.	S. Ltd. Rs.
Share capital :			Machinery	3,00,000	1,00,000
Rs.10 each fully	6,00,000	2,00,000	Furniture	70,000	45,000
General reserve	1,50,000	70,000	70% shares in S Ltd. in cost	2,60,000	—

- (b) The Balance sheet of C Ltd. and D Ltd. as at December, 1998 are as follows.

Liabilities	C Ltd Rs.	D Ltd Rs.	Assets	C Ltd Rs.	D Ltd Rs.
Share capital (in shares of Rs.10 each)	2,00,000	1,00,000	Sundry assets	1,32,500	1,38,200
General reserve	18,000	20,000	Goodwill	—	20,000
Profit and Loss A/c	24,500	23,000	Shares in D Ltd. at cost	1,40,000	—
Creditors	30,000	15,200			
	<u>2,72,500</u>	<u>1,58,200</u>		<u>2,72,500</u>	<u>1,58,200</u>

In the case of D Ltd., profit for the year ended 31st December 1986 is Rs.12,000 and transfer to reserve is Rs.5,000, the holding of C Ltd in D Ltd. is 90% acquired on 30th June 1986.

Draft a consolidated Balance sheet of C' Ltd and its subsidiary.



14. (a) Explain the valuation of Human resources.

Or

(b) What is a consolidated balance sheet?

15. (a) What are the objectives of Accounting standards?

Or

(b) How many features of depreciation Accounting?

SECTION C — (3 × 10 = 30 marks)

Answer any THREE questions.

16. Moon and stars Co. Ltd, is a company with an authorized capital of Rs. 5,00,000 divided into 5,000 equity shares of Rs. 100 each on 31.12.1985 of which 2,500 shares were fully called up. The following are the balances extracted from the ledger as on 31.12.1985.

Trial balance of Moon and stars Co. Ltd.

Debit	Rs.	Credit	Rs.
Opening stock	50,000	Sales	3,25,000
Purchase	2,00,000	Discount received	3,150
Wages	70,000	Profit and loss A/c	6,220

Debit	Rs.	Credit	Rs.
Discount allowed	4,200	Creditors	35,200
Insurance (upto 31.3.86)	6,720	Reserves	25,000
Salaries	18,500	Loan from managing Director	15,700
Rent	6,000	Share capital	2,50,000
General expenses	8,950		
Printing	2,400		
Advertisements	3,800		
Bonus	10,500		
Debtors	38,700		
Plant	1,80,500		
Furniture	17,100		
Bank	34,700		
Bad debts	3,200		
Calls in Arrears	5,000		
	<u>6,60,270</u>		<u>6,60,270</u>

You are the required to prepare statement of profit and loss for the year ended 31.12.1985 and a balance sheet as on that date. The following information is given.